Automated Commercial Environment⎯Requirements Recommendation

Date:	July 27, 2001
Number:	ITD-013
Requestor:	ITDS Sub-Committee
Customs Co-Chair:	Don Kusser
Trade Co-Chair:	Tom Anastasi and Sandra Scott

Requirement

Application of Risk Management principles to identify, approve and create accounts.

Participating Agencies should employ risk management principles to identify, approve and create highly compliant accounts. This is a critical aspect to the concept of Track 4 processing. There is a need for participating agencies to process these shipments on a pre-approval account basis and reduce the reporting and examination requirements.

Each participating agencies will establish criteria/information electronic application that the importer will have to complete and that the agency will use to determine the compliance rating and whether they will authorize the importer to receive expedited processing procedures, minimal data for release, etc. The application will include basic company identifiers, typical import commodities, countries of origin, and detailed information pertinent to the agency's mission. There will need to be an electronic process for the importer to update their "import profile" with the participating agencies. The participating agency will also need to convey into ACE/ITDS the standard expedited or facilitative processes that will be authorized when import information is electronically communicated to ACE or when a covered shipment arrives at the border for that importer.

A decision will need to be made by the participating agencies if they also need to perform risk management screening of carriers, drivers, brokers, and others involved in Track 4.

Business Need

Each agency will decide if their risk management criteria and system will reside on their own internal automated systems, or if they prefer to utilize a generic risk management system resident in ACE/ITDS. The generic risk management or selectivity system would be designed on a multi-agency basis – triggering notifications, exams, holds, additional information or licensing requirements based on criteria built around importer ID, commodity, origin, value, etc. If the agency will support their own internal risk system, customs entry information will have to be transmitted to the participating agency from ACE/ITDS, and the resulting information (release/hold/whatever) will have to be conveyed back to ACE/ITDS for the border officer to take action on the shipment. It is expected that standards will be set for completing any risk assessments and for deciding on the disposition of a shipment waiting clearance.

Track 4 is reserved for low-risk, compliance importers. Therefore, it is anticipated that only importers who (1) have applied to the agencies relevant to the specific commodities being imported, and (2) received a low-risk designation from that agency will be eligible to participate in Track 4. The eligible importer will be able to submit minimal data and receive minimal processing/exam at the time of border crossing.

Technical Need

The participating agencies, including Customs, will provide the data elements needed for pre-approval applications and criteria driving their risk management systems to accumulate the data requirements and field sizes.

Benefits

The participating agencies will be able to build or utilize their own risk assessment systems and have the opportunity to pre-review and pre-approve importer "profile" information so they can identify potential mission vulnerabilities and minimize resource commitment to low-risk work. Other agencies will benefit from being able to avoid expense of building their own internal risk management systems by utilizing or participating in a multi-agency risk assess-ment system resident in ACE/ITDS. The participating agencies can also benefit from a data warehouse of import information pertinent to their mission.

Customs will benefit by having the needed information to take correct and expeditious action at the time the shipment arrives at the border.

Importers and the trade community will benefit from expedited border clearance and the data requirements for border clearance and Customs declaration.

Risks

The participating agencies may not wish to participate in or be committed to operating with a pre-approval process and may wish to receive data directly from the trade for clearance. The participating agencies may not want to establish or be committed to "cycle times" for deciding upon the disposition of a shipment. They may also want detailed commodity/shipment information for every importation and object to the Track 4 minimum data provision.

The trade community may resist participating in Track 4 with other agencies beyond Customs. The involvement of other agencies in Track 4 could actually increase the number of exams, holds, or other actions by "other agencies" that typically are not physically present at border crossings.

The involvement of multiple agency systems with their own risk management programs increases the possibility of downtimes, especially with the necessary real-time linkage to ACE/ITDS.

Related Subcommittees

Entry, Account Management, Multimodal Manifest

Priority: **Critical** X ☐   **High** ☐   **Medium** ☐   **Low** ☐

Customs Use Only		
Approved ☐	Not Approved ☐	Further Evaluation Required ☐